



STATE OF DELAWARE
PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD.
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904
TELEPHONE: (302) 736-7500

MEMORANDUM

TO: The Chairman and Members of the Commission

FROM: Renay L Edge, Public Utilities Analyst

DATE: April 26, 2019

SUBJECT: IN THE MATTER OF EXTENET ASSET ENTITY, LLC FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE AND COMPETITIVE INTRASTATE TELECOMMUNICATIONS SERVICES IN THE STATE OF DELAWARE (SUBMITTED JANUARY 29, 2019, FILED APRIL 24, 2019) - PSC DOCKET NO. 19-0056

Background

On April 24, 2019, Extenet Asset Entity, LLC (“EAE” or the “Company”) filed a completed application (the “Application”) with the Delaware Public Service Commission (“Commission”) for a Certificate of Public Convenience and Necessity (“CPCN”) to provide local exchange and competitive intrastate telecommunications services within the State of Delaware. The Delaware Public Service Commission Staff (“Staff”) has reviewed the Application to determine its compliance with Delaware Law and the Rules and Regulations promulgated in 26 *Del. Admin. C.* §4001.

Application

The Company’s original filing was submitted on January 29, 2019, but did not meet the minimum filing requirements (“MFR’s”). Staff requested, and the Company filed the following additional documentation: a) a copy of the Delaware business license, filed March 15, 2019 and b) proof of publication of the public notice in at least one (1) newspaper of general circulation, filed April 24, 2019.

Pursuant to 26 *Del. Admin. C.* §4001-4.3, a copy of the Application was provided to the Division of the Public Advocate, through the Commission's electronic filing system DelaFile, and public notice of the Application was published in the Delaware State newspaper on April 8, 2019. Staff reports that it received no formal comments or objections to the Company's Application for a CPCN.

Financial, Operational, Managerial and Technical Ability

The Company provided proof issued by the Delaware Secretary of State and the Delaware Division of Revenue that it is legally authorized and qualified to do business in the State of Delaware. To demonstrate its financial capability, EAE provided to Staff, Company officer verified consolidated financial statements, reflecting its financial status as of December 31, 2017. The Company provided the contact information for a Delaware Registered Agent listed in the Application as Corporation Service Company, Wilmington, DE.

The Company anticipates serving customers in the entire State of Delaware. The Company proposes to primarily provide distributed network services ("DAS") and networks targeted to wireless service providers ("WSPs") on a wholesale basis. The telecommunications services EAE expects to provide initially will include point-to-point telecommunications services. These services will be offered to WSPs, other telecommunications carriers and communications providers.

To demonstrate its technical and operational capabilities, the Company provided Staff with detailed management biographies of the Company's senior management and directors along with a description of the Company's technical expertise.

Tariff

The Company did not provide initial tariff sheets or price sheets as required in 26 *Del. Admin. C.* §4001-4.5.1 as they do not provide switched access service which is the only service required to comply with this section.

Waiver

As part of its Application, the Company requested pursuant to 26 *Del. C.* §208(b) that it may maintain its books and records relating to its Delaware operations outside of the State of Delaware. Staff believes that the request to maintain the Company's books and records outside of Delaware is reasonable and Staff recommends that the Commission grant this request.

Staff Recommendation

Based on Staff's review and analysis, the Company has shown that it has the financial, operational, and technical means to provide telecommunications services in Delaware. Therefore, Staff recommends that the Commission grant ExteNet Asset Entity, LLC a CPCN to

The Chairman and Members of the Commission

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provide local exchange and competitive intrastate telecommunications services within the State of Delaware.